

117TH CONGRESS
1ST SESSION

H. R. 6317

To amend the Small Business Act to address the participation of cooperatives in the program carried out under section 7(a) of that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2021

Mr. NEGUSE introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Small Business Act to address the participation of cooperatives in the program carried out under section 7(a) of that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Capital for Cooper-
5 tives Act”.

6 SEC. 2. FINDINGS.

7 Congress finds the following:

1 (1) Cooperative businesses operate on the basis
2 of 1 member, 1 vote.

3 (2) Cooperatives have helped to improve the
4 economic conditions of the people of the United
5 States for more than a century by increasing com-
6 petition and helping small players gain parity in the
7 market.

8 (3) Research has shown that cooperatives are
9 more resilient to economic business cycles than other
10 business models because cooperatives require mem-
11 ber-owners of the cooperative to work together and
12 prepare for the future.

13 (4) The mission of the Small Business Adminis-
14 tration (referred to in this Act as the “Administra-
15 tion”) is to help the people of the United States
16 start, build, and grow businesses.

17 (5) The requirement of the Administration that
18 some borrowers provide a personal guarantee with
19 respect to certain Administration loans has pre-
20 vented cooperatives from accessing the safe and af-
21 fordable financing available from the Administration.

22 **SEC. 3. COOPERATIVES.**

23 (a) IN GENERAL.—Section 7(a)(15)(B)(iv) of the
24 Small Business Act (15 U.S.C. 636(a)(15)(B)(iv)) is
25 amended—

1 (1) in the matter preceding subclause (I), by
2 striking “, or to a cooperative in accordance with
3 paragraph (35)”;
and

4 (2) in subclause (I), by striking “or coopera-
5 tive”.

6 (b) SBA RESPONSIBILITIES.—

7 (1) DEFINITIONS.—In this subsection:

8 (A) ADMINISTRATOR.—The term “Admin-
9 istrator” means the Administrator of the Ad-
10 ministration.

11 (B) COOPERATIVE.—The term “coopera-
12 tive” has the meaning given the term in section
13 7(a)(35) of the Small Business Act (15 U.S.C.
14 636(a)(35)).

15 (C) PROGRAM.—The term “Program”
16 means the program carried out under section
17 7(a) of the Small Business Act (15 U.S.C.
18 636(a)).

19 (D) SMALL BUSINESS CONCERN.—The
20 term “small business concern” has the meaning
21 given the term in section 3(a) of the Small
22 Business Act (15 U.S.C. 632(a)).

23 (E) WORKING GROUP.—The term “Work-
24 ing Group” means the interagency working
25 group coordinated and chaired by the Secretary

1 of Agriculture pursuant to section 310B(e)(12)
2 of the Consolidated Farm and Rural Develop-
3 ment Act (7 U.S.C. 1932(e)(12)), as amended
4 by subsection (c).

5 (2) COORDINATION; AMENDMENTS TO RULES;
6 REPORT.—The Administrator shall—

7 (A) beginning not later than 60 days after
8 the date of enactment of this Act, coordinate
9 and participate with the Working Group to—

10 (i) develop recommendations regard-
11 ing how the Administrator can coordinate
12 with the heads of other Federal agencies to
13 promote, support, and increase the number
14 of cooperatives; and

15 (ii) ensure coordination between the
16 Administrator and—

17 (I) other Federal agencies; and
18 (II) national and local organiza-
19 tions representing cooperatives and
20 small business concerns;

21 (B) not later than 180 days after the date
22 of enactment of this Act—

23 (i) amend the rules of the Administra-
24 tion with respect to guarantees for loans

20 (i) education regarding cooperatives
21 that the Administrator has provided to—

22 (I) officials of the Administra-
23 tion:

(II) the number of applications received under subclause (I) that were approved by the Administrator.

15 (c) INTERAGENCY WORKING GROUP ON COOPERA-
16 TIVE DEVELOPMENT.—Section 310B(e)(12) of the Con-
17 solidated Farm and Rural Development Act (7 U.S.C.
18 1932(e)(12)) is amended—

21 “(A) IN GENERAL.—Not later”; and

(2) by adding at the end the following:

“(B) MEETINGS.—The interagency working group described in subparagraph (A)—

1 “(I) at such times determined
2 necessary by the Secretary; and
3 “(II) not less frequently than bi-
4 annually; and
5 “(ii) may conduct meetings in person
6 or through the use of electronic re-
7 sources.”.

